

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

As Engrossed: H3/17/25

**A Bill**

HOUSE BILL 1695

5 By: Representatives J. Richardson, Andrews, Hudson  
6 By: Senator Crowell  
7

**For An Act To Be Entitled**

9 AN ACT TO AMEND THE LAW CONCERNING MUNICIPAL LIENS  
10 RELATED TO NEGLECTED PROPERTY AND TAX-DELINQUENT  
11 PROPERTY; TO CLARIFY THE FORECLOSURE PROCESS FOR  
12 PROPERTY SUBJECT TO A MUNICIPAL LIEN; TO ALLOW A  
13 MUNICIPALITY TO *PETITION TO SET ASIDE* THE SALE OF  
14 PROPERTY BY THE STATE TO A PERSON THAT OWNS TAX-  
15 DELINQUENT PROPERTY IN THIS STATE; TO PROVIDE FOR THE  
16 PRIORITY OF UNRECORDED MUNICIPAL LIENS OVER OTHER  
17 UNRECORDED LIENS; AND FOR OTHER PURPOSES.

**Subtitle**

21 *TO CLARIFY THE FORECLOSURE PROCESS FOR*  
22 *PROPERTY SUBJECT TO A MUNICIPAL LIEN; TO*  
23 *ALLOW A MUNICIPALITY TO PETITION TO SET*  
24 *ASIDE THE SALE OF PROPERTY TO CERTAIN*  
25 *PERSONS; AND TO PROVIDE FOR THE PRIORITY*  
26 *OF UNRECORDED MUNICIPAL LIENS.*

27  
28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
29

30 *SECTION 1. Arkansas Code § 14-54-901 is amended to read as follows:*  
31 *14-54-901. Municipal authority.*

32 *(a) Incorporated towns and cities of the first and second class are*  
33 *empowered to order the owner of lots and other real property within their*  
34 *towns or cities to cut weeds; to remove garbage, rubbish, and other unsightly*  
35 *and unsanitary articles and things upon the property; and to eliminate, fill*  
36 *up, or remove stagnant pools of water or any other unsanitary thing, place,*



1 or condition which might become a breeding place for mosquitoes, flies, and  
 2 germs harmful to the health of the community, after the town or city has  
 3 provided therefor by an ordinance to that effect.

4 (b) A city of the first class, a city of the second class, or an  
 5 incorporated town may order the removal or razing of, or remove or raze,  
 6 buildings or houses that in the opinion of the city council or town council  
 7 have become dilapidated, unsightly, unsafe, unsanitary, obnoxious, or  
 8 detrimental to the public welfare and shall provide by ordinance the manner  
 9 of removing and making these removals.

10  
 11 SECTION 2. Arkansas Code § 14-54-903(b), concerning the refusal of a  
 12 property owner to comply with a municipal notice related to neglected  
 13 property, is amended to read as follows:

14 (b)(1) If the owner or lienholder of any lot or other real property  
 15 within an incorporated town or city neglects or refuses to remove, abate, or  
 16 eliminate any condition under an ordinance passed by the city or town as  
 17 provided in § 14-54-901, after having been given seven (7) days' notice in  
 18 writing to do so, then the town or city may do whatever is necessary to  
 19 correct the condition and to charge the cost thereof to the owner of the lots  
 20 or other real property.

21 (2) A city or town incurring costs under subdivision (b)(1) of  
 22 this section may collect the costs from the owner of the lot or other real  
 23 property in the manner provided for the collection of a civil judgment.

24  
 25 SECTION 3. Arkansas Code § 14-54-903(c)(2), concerning the refusal of  
 26 a property owner to comply with a municipal notice related to neglected  
 27 property, is amended to read as follows:

28 (2) ~~The town or city~~ or town shall file the lien with the  
 29 ~~circuit court~~ county recorder no later than ~~one hundred twenty (120)~~ three  
 30 hundred sixty-five (365) days after the town or city completes the clean-up  
 31 work on the property.

32  
 33 SECTION 4. Arkansas Code § 14-54-903(i), concerning the refusal of a  
 34 property owner to comply with a municipal notice related to neglected  
 35 property, is amended to read as follows:

36 (i) The city or town shall file its lien with the ~~circuit clerk~~ county

1 recorder no later than ~~sixty (60)~~ one hundred eighty (180) days after the  
2 governing body of the city or town confirms the lien amount, or if the lien  
3 is appealed, within ~~sixty (60)~~ one hundred eighty (180) days after the city  
4 or town wins on appeal.

5  
6 SECTION 5. Arkansas Code § 14-54-903(j)(2), concerning the refusal of  
7 a property owner to comply with a municipal notice related to neglected  
8 property, is amended to read as follows:

9 (2) Priority status shall be awarded to the priority clean-up  
10 lien with respect to any previously recorded lien if the court determines  
11 that such lienholder has failed to exercise its rights to foreclose its lien  
12 when the obligation it secures becomes in default or has failed to pay the  
13 costs of work undertaken by a city or town that composes the clean-up lien.  
14 However, the amount as to which the clean-up lien shall have priority shall  
15 be the amount the court finds reasonable and is limited to:

16 (A) No more than ~~one two~~ two thousand dollars ~~(\$1,000)~~  
17 (\$2,000) for grass or weed cutting;

18 (B) No more than ~~five ten~~ ten thousand dollars ~~(\$5,000)~~  
19 (\$10,000) to board and secure the property;

20 (C) No more than ~~seven thousand five hundred dollars~~  
21 ~~(\$7,500)~~ fifteen thousand dollars (\$15,000) to demolish any structures on the  
22 property; or

23 (D) No more than ~~fifteen~~ thirty thousand dollars ~~(\$15,000)~~  
24 (\$30,000) for environmental remediation.

25  
26 SECTION 6. Arkansas Code § 14-54-903, concerning the refusal of a  
27 property owner to comply with a municipal notice related to neglected  
28 property, is amended to add an additional subsection to read as follows:

29 (k) If an indebtedness filed as a lien under this section is paid and  
30 satisfied, the city or town shall enter satisfaction of the lien on the  
31 record in the office of the county recorder within thirty (30) days of the  
32 satisfaction of the lien.

33  
34 SECTION 7. Arkansas Code § 14-54-904(a)(1), concerning the manner of  
35 enforcing a lien for clearance by municipality, is amended to read as  
36 follows:

1           (1)(A) By an action for foreclosure in the circuit court by the  
2 city or town, or if the city or town has established a land bank, by a land  
3 bank that has been assigned the lien.

4           (B)(i) A city or town that has been granted a lien under  
5 this subchapter may:

6                   (a) File an action for foreclosure under this  
7 subdivision (a)(1) in the circuit court that has jurisdiction over the  
8 property that is subject to the lien; and

9                   (b) Petition for the circuit court to order  
10 the sale of the property.

11                   (ii)(a) If a city or town petitions a circuit court  
12 for the sale of property under subdivision (a)(1)(B)(i) of this section, the  
13 circuit court may order the property to be sold at a public sale.

14                   (b) If a circuit court orders the sale of  
15 property at a public sale under subdivision (a)(1)(B)(ii)(a) of this section,  
16 the circuit court shall appoint a commissioner to oversee the sale of the  
17 property.

18                   (iii) A commissioner appointed under subdivision  
19 (a)(1)(B)(ii)(b) of this section shall:

20                           (a) Be responsible for conducting the public  
21 sale of the property in accordance with the order of the circuit court and  
22 any applicable laws; and

23                           (b) Set the time and place of the public sale  
24 at a date that is at least thirty (30) days after the circuit court ordered  
25 the sale of the property.

26                           (iv)(a) When a commissioner appointed under  
27 subdivision (a)(1)(B)(ii) of this section has set the time and place of a  
28 public sale under subdivision (a)(1)(B)(iii)(b) of this section, the city or  
29 town that petitioned for the sale of the property under subdivision  
30 (a)(1)(B)(i) of this section shall provide notice of the sale to the owner of  
31 the property at the owner's last known address and any lienholders of record  
32 at the address shown in the relevant land records of the time and place of  
33 the public sale of the property.

34                           (b) A city or town is not required to  
35 notify a holder of an unrecorded lien or an unrecorded assignee of a  
36 lienholder under this subdivision (a)(1)(B)(iv).

1 (c) The notice to an owner required under  
2 subdivision (a)(1)(B)(iv)(a) of this section shall contain at least

3 (3) The notice to an owner required under  
4 subdivision (a)(1)(B)(iii)(c)(1) of this section shall contain at least a  
5 partial or abbreviated legal description of the property, the parcel number  
6 for the property, the date of the public sale of the property, and a  
7 statement that the property will be sold if not redeemed by the date of the  
8 public sale; and

9 (d) Advertise the time and place of the public  
10 sale of the property by publishing an advertisement in a newspaper of general  
11 circulation in the county in which the property is located at least one (1)  
12 time a week for two (2) consecutive weeks before the public sale.

13 (C) Proceeds from a public sale conducted under  
14 subdivision (a)(1)(B) of this section shall be distributed in accordance with  
15 the order of disbursement issued by the circuit court.

16 (D) A lien that exists on property sold at a public sale  
17 conducted under subdivision (a)(1)(B) of this section that is not satisfied  
18 or exhausted after the distributions provided under subdivision (a)(1)(C) of  
19 this section is extinguished upon the completion of the public sale conducted  
20 under subdivision (a)(1)(B) of this section; or

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22 SECTION 8. Arkansas Code § 14-54-904(b)(1)(A), concerning the  
23 enforcement of a lien for clearance by municipality, is amended to read as  
24 follows:

25 (b)(1)(A)(i) In any situation in which a city ~~of the first class or~~  
26 ~~city of the second class~~ or town issues an order for the removal, repair to  
27 return the structure to compliance with minimum building code standards, or  
28 razing of a building or house under the provisions of ~~14-56-203~~ 14-54-901(b)  
29 and such order is not complied with by the owner of the building or house and  
30 the city or town then removes, repairs, or razes the building or house, a  
31 ~~lien is granted and given against the real property for the cost of the owner~~  
32 of the building or house is liable for all costs incurred by the city or town  
33 related to the removal, repair, or razing of the building or house, including  
34 without limitation any administrative, legal, filing, collection, and title  
35 search costs.

36 (ii) A city or town may collect costs incurred under

1 this subsection from the owner of the building or house in any manner  
2 provided for the collection of a civil judgment.

3 (iii) A city or town is granted a lien for the costs  
4 incurred under this subsection, which shall be filed in the office of the  
5 county recorder within three hundred sixty-five (365) days.

6 (iv) If an indebtedness filed as a lien under this  
7 subsection is paid and satisfied, the city or town shall enter satisfaction  
8 of the lien on the record in the office of the county recorder within thirty  
9 (30) days of the satisfaction of the lien.

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11 SECTION 9. Arkansas Code § 14-56-203 is repealed.

12 ~~14-56-203. Removal or razing of buildings.~~

13 ~~Cities of the first class, cities of the second class, and incorporated~~  
14 ~~towns may order the removal or razing of, or remove or raze, buildings or~~  
15 ~~houses that in the opinion of the city council or town council have become~~  
16 ~~dilapidated, unsightly, unsafe, unsanitary, obnoxious, or detrimental to the~~  
17 ~~public welfare and shall provide by ordinance the manner of removing and~~  
18 ~~making these removals.~~

19 SECTION 10. Arkansas Code § 26-37-203(b), concerning contesting the  
20 conveyance of tax-delinquent land to the purchaser, is amended to add an  
21 additional subdivision to read as follows:

22 (3) A city or town incorporated in this state may petition the  
23 Commissioner of State Lands to exercise his or her authority under § 26-37-  
24 204(b) to set aside a conveyance under this section to a person or entity  
25 that is the owner in whole or in part of other real property in this state  
26 that:

27 (A) Is subject to a property lien in circuit court; or

28 (B) Is certified as a current tax-delinquent property in  
29 any county in this state.

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31 SECTION 11. Arkansas Code § 26-37-205(b)(2)(A), concerning the  
32 distribution of funds from the sale of tax-delinquent property, is amended to  
33 read as follows:

34 (2)(A) After ~~Except as provided in subdivision (b)(2)(E)(ii) of~~  
35 this section, after payment is made to the Commissioner of State Lands  
36 pursuant to subdivision (b)(1) of this section, the amount left in the

1 remaining funds shall be paid to the former owners of the tax-delinquent  
2 parcel.

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4 SECTION 12. Arkansas Code § 26-37-205(b)(2)(E), concerning the  
5 distribution of funds from the sale of tax-delinquent property, is amended to  
6 read as follows:

7 (E)(i) In the event of any dispute, claim, multiple claims  
8 of ownership, controversy regarding the release of the funds, or claim not  
9 expressly permitted under this section, the Commissioner of State Lands may  
10 require the party or parties to provide a court order to resolve the issues  
11 and to establish the party or parties entitled to the remaining funds.

12 (ii)(a) A city or town incorporated in this state  
13 that possesses an unrecorded clean-up lien on property under § 14-54-903(c)  
14 or § 14-54-904(b) may file a claim for the amount of the unrecorded lien in  
15 circuit court.

16 (b) A claim for the amount of an unrecorded  
17 lien under this subdivision (b)(2)(E)(ii) has priority status over other  
18 unrecorded liens.

19 (c) A court that determines the validity of a  
20 claim for the amount of an unrecorded lien under this subdivision  
21 (b)(2)(E)(ii) shall issue an order for the amount to be distributed by the  
22 Commissioner of State Lands to the city or town from the escrow fund  
23 established under subdivision (a)(6) of this section before funds may be  
24 released to the former owners of the property.

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26 /s/J. Richardson

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